

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08
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FM AMEMBASSY PARIS
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USOECD

E.O. 11652: N/A
TAGS: EINV, OECD, UN
SUBJECT: CIME: MEETING OF INFORMAL CONTACT GROUP ON
ACTIVITIES IN OTHER INTERNATIONAL FORA, APRIL 14, 1978

REF: PARIS 12407

1. SUMMARY: INFORMAL CONTACT GROUP CONSIDERED KEY ELEMENTS ON AGENDA OF MAY UN TNC COMMISSION SESSION. MAJOR DISCUSSION CENTERED ON CENTRE PAPERS ON INFORMATION, (E/C.10/4), INTERNATIONAL STANDARDS OF ACCOUNTING AND REPORTING FOR TRANSNATIONAL CORPORATIONS (E/C.10/33) AND SOUTHERN AFRICA (E/C.10/39). DOCUMENTATION ON TECHNICAL ASSISTANCE (E/C.10/37) CIRCULATED BUT NOT DISCUSSED. THERE WAS GENERAL AGREEMENT THAT INFORMATION PAPER REPRESENTED A SIGNIFICANT IMPROVEMENT OVER PREVIOUS CENTRE EFFORTS. HOWEVER, ALL DELS WHO COMMENTED RAISED SERIOUS PROBLEMS WITH CENTRE PRESENTATION,
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ESPECIALLY REGARDING THE BUDGETARY IMPLICATIONS OF NEW INFORMATION PROPOSAL. DISCUSSION OF ACCOUNTING AND REPORTING STANDARDS PAPER REINFORCED GENERAL MISGIVINGS ON THIS ISSUE EXPRESSED AT DECEMBER 2-3 INFORMAL CONTACT GROUP MEETING. CONSENSUS EMERGED ON CREATION OF GOVERNMENT EXPERTS GROUP IN UN TO TAKE OVER THIS ISSUE. BRIEF DISCUSSION OF SOUTH AFRICA REVEALED MAJOR UK CONCERNS

WITH CONCLUSIONS OF E/C.10/39 ALTHOUGH DELS AGREED THAT THIS PAPER CLEARLY SIGNIFICANT IMPROVEMENT OVER PREVIOUS ONE BY CENTRE LAST YEAR. DANES INFORMED CONTACT GROUP OF DANISH FOREIGN MINISTER'S INVITATION TO OECD MEMBER COUNTRIES TO ATTEND MEETING IN COPENHAGEN BEFORE JULY ON EC-9 CODE OF CONDUCT. END SUMMARY

INFORMATION

2. CONTACT GROUP CHAIRMAN COLLI (CANADA) LED OFF DISCUSSION, UNDERLINING SIGNIFICANT IMPROVEMENT IN E/C.10/4, WHICH HE SAID TAKES ACCOUNT OF GOVERNMENT COMMENTS SUBMITTED TO CENTRE. (CANADA BELIEVES DOCUMENT CONTAINS SUFFICIENT REFLECTION OF ITS VIEWS AND CANADA WILL NOT INSIST ON CIRCULATION OF ITS WRITTEN COMMENTS TO CENTRE ON EARLIER DOCUMENT.) U.S. DEL (KAUZLARICH) SUPPORTED CANADIAN VIEW THAT DOCUMENT WAS MORE BALANCED AND PRODUCTIVE AND THAT IT REFLECTS MANY OF THE CONCERNS EXPRESSED TO THE CENTRE. HE TOLD DELS THAT ALL MUST BE PREPARED TO DEAL WITH SUBSTANCE OF DOCUMENT AT MAY COMMISSION MEETING AND HE PROPOSED TO MAKE SPECIFIC PROPOSALS IN FUTURE FOR IMPROVING TEXT.

3. CRITICISMS: U.S. DEL EXPRESSED MISGIVINGS REGARDING THE STATEMENT OF PURPOSE OF INFORMATION SYSTEM (PARA. 7-9). WHILE DOCUMENT POSITION ON CONFIDENTIALITY LIMITED OFFICIAL USE

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BASICALLY SOUND, U.S. FELT IT NECESSARY FOR CENTRE TO CLARIFY "NON-CONFIDENTIAL" INFORMATION WHICH THE CENTRE IS UNABLE TO OBTAIN IN THE PUBLIC DOMAIN (PARA.27). U.D. DEL EMPHASIZED NEED FOR CENTRE TO CHECK INFORMATION ON INDIVIDUAL FIRMS WITH FIRMS THEMSELVES TO INSURE ACCURACY AND EXPRESSED CONCERN THAT BROADENING THE RANGES OF ALTERNATIVES (PARAS.61-75) NOT BE DONE IN AN ARBITRARY AND DISCRIMINATORY MANNER. U.S. DEL ALSO QUESTIONED FAILURE OF EC/10/4 TO DEAL ADEQUATELY WITH QUESTION OF NON-COMPARABILITY OF DATA GATHERED. FINALLY, U.S. DEL UNDERLINED THE IMPORTANCE OF THE BUDGETARY SECTION OF THE REPORT AND U.S. CONCERN ABOUT THE LACK OF DETAIL ON FINANCIAL IMPLICATIONS OF SECRETARIAT PROPOSAL.

4. UK DEL (DENHAM) QUESTIONED APPARENT CHANGE OF OBJECTIVE FOR INFORMATION SYSTEM FROM THAT ESTABLISHED AT LIMA MEETING OF COMMISSION--THE CONCERN WITH HOST COUNTRY ISSUES (WHICH OBSCURES GLOBAL PERSPECTIVE OF TNC'S) AND OVERLAP WITH OTHER CENTRE ACTIVITIES SUCH AS

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TECHNICAL ASSISTANCE. SHE ALSO EXPRESSED CONCERNS ON BUDGET FOR INFORMATION ACTIVITY. SWEDISH DEL (LEANDER) SECONDED UK CONCERNS. GERMAN DEL (SCHEELE) ALSO RAISED COMPARABILITY PROBLEM AND COST ASPECTS OF PROPOSAL; AND QUESTIONED 3-4 YEAR COMMITMENT SOUGHT FROM COMMISSION BEFORE FIRST REVIEW OF INFORMATION ACTIVITIES. SWISS DEL (JAGGI) OPPOSED GIVING COMPANY NAMES TO LDC'S IN CONNECTION WITH BROADENING RANGE OF ALTERNATIVES. FRENCH DEL ESPECIALLY TROUBLED BY VAGUE REQUEST FOR ADDITIONAL PERSONNEL AND RESOURCES FOR INFORMATION ACTIVITIES. FRENCH BELIEVE THAT COMMISSION MUST INSIST ON CLEAR BUDGETARY PRESENTATION AND SUGGESTED WITHHOLDING APPROVAL OF PROGRAM UNTIL BUDGET IS CLARIFIED.

5. COLLI SUGGESTED THAT DELS CONTACT EXPERTS ON UN BUDGET PROCEDURES TO IDENTIFY BEST MEANS OF DEALING WITH BUDGETARY ISSUE. ALSO HE PROPOSED THAT EARLY IN COMMISSION SESSION DELS EXPRESS CONCERNS ON COST OF NEW PROPOSAL.
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SAL. IF THIS DOES NOT ACHIEVE RESULTS, DELS SHOULD CON-

SIDER INSERTING CONCERNS INTO COMMISSION REPORT.

ACCOUNTING STANDARDS

6. COLLI INDICATED CENTRE DIRECTOR SAHLGREN PREPARED TO BACK OFF SOME OF MORE CONTROVERSIAL ASPECTS OF E/C.10/33 INCLUDING CALL FOR INTERNATIONAL AGREEMENT AND INTERIM PROMOTION OF PROPOSED STANDARDS. U.S. DEL REITERATED U.S. DISSATISFACTION WITH REPORT AND NEED FOR DELS TO FOCUS ON TACTICS FOR MAY COMMISSION MEETING. EMPHASIZING PROBLEMS WITH BOTH PROCEDURE AND SUBSTATNC, U.S. DEL INDICATED THAT POSSIBLE TO ENVISAGE ESTABLISHMENT OF GOVERNMENT EXPERTS GROUP TO REVIEW THIS REPORT. UK DEL ARGUED THAT GOVERNMENT EXPERTS GROUP MIGHT PROVE NECESSARY BUT THAT IT SHOULD FOCUS ON SHRT LIST OF ISSUES.

7. COLLI EMPHASIZED NEED FOR CONSTRUCTIVE REACTION TO E/C.1033 BASED ON EXAMINATION OF PRIORITY LISTING OF WHAT INFORMATION IS NEEDED RATHER THAN TOUR D'HORIZON SUGGESTED IN REPORT. GENERAL DISCUSSION COVERED MANY

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ISSUES DISCUSSED PREVIOUS DAY IN FULL CIME ON ACCOUNTING STANDARDS (REFTEL). U.S. AND UK ARGUED FOR NONDIS-

CRIMINATION AS BETWEEN TNE'S AND NON-TNE'S, WHILE SWEDES AND SECRETARIAT (VOGELAAR) ARGUED FOR DIFFERENTIATED TREATMENT OF TNE'S. U.S., UK AND SWEDES INDICATED PREFERENCE THAT "REAL" WORK ON ACCOUNTING STANDARDS TAKE PLACE IN OECD. (IN THIS REGARD, UK AND COLLI ALSO ARGUED THAT UN WORK IN THIS AREA PARTIALLY A TACTICAL DELAYING ACTION ON PART OF DEVELOPED COUNTRIES.)

8. COLLI SAID DELS SHOULD CONSULT WITH THEIR ACCOUNTING EXPERTS AND EXPLORE APPROPRIATE MANDATE FOR POSSIBLE NEW UN GROUP OF GOVERNMENT EXPERTS. HE NOTED IMPORTANCE OF POINTING GROUP IN RIGHT DIRECTION AND NEED FOR PRECISE OBJECTIVES.

SOUTH AFRICA

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9. COLLI SOUGHT CLARIFICATION FROM DANISH DEL RE PROPOSED COPENHAGEN MEETING ON EC-9 CODE OF CONDUCT. DANISH DEL INDICATED THAT DANISH FOREIGN MINISTER HAD INVITED ALL OECD COUNTRIES TO MEETING IN COPENHAGEN ON THE EC-9 CODE SOMETIME BEFORE JULY. (DANISH DEL TOLD U.S. DEL PRIVATELY THAT PURPOSE WAS TO EXPLORE HOW NON-EC COUNTRIES COULD ASSOCIATE THEMSELVES WITH EC-9 CODE.)

10. ON E/C.10/39, UK DEL INDICATED THIS WOULD BE MAJOR ISSUE AT TNC COMMISSION. UK WOULD PROBABLY MAKE MAJOR STATEMENT IN LIGHT OF UNACCEPTABLE CONCLUSION OF STUDY THAT TNC'S HAVE NOT HELPED ERODE APARTHEID. U.S. DEL AGREED WITH UK ON IMPORTANCE OF THIS ISSUE AND SAID U.S. ALSO HAD CONCERNS REGARDING CONCLUSIONS. HOWEVER, U.S. DEL INDICATED THAT REPORT REPRESENTED SUBSTANTIAL IMPROVEMENT OVER PREVIOUS SECRETARIAT DOCUMENTATION ON THIS ISSUE.

11. COLLI SAID THAT CENTRE IS PLANNING "CTC REPORTER" ARTICLE ON TNC'S IN SOUTHERN AFRICA TO COINCIDE WITH COMMISSION SESSION AND POINTED TO LINK LDC'S DRAW BETWEEN SOUTH AFRICA ISSUE AND THE TNC CODE OF CONDUCT.

12. NEXT MEETING: COLLI SAID CONTACT GROUP WOULD NOT MEET AGAIN UNTIL AFTER THE OPINING SESSION OF TH TNC COMMISSION.
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